



Western Surety Company

*Please route
to Pam G/L
for determination.
This could be
O+G. \$517*

May 3, 1984

RECEIVED

MAY 7 1984

DIVISION
GAS & MINING

State of Utah
Natural Resources
Division of State Lands
Board of Oil, Gas and
Mining
3100 State Office Bldg.
Salt Lake City, UT 84114

Re: Richard J. Michael and Loren Okay dba Painted
Rocks Mining
Bond of Lessee - \$5,000

Greetings:

Our agent has just reported the issuance of the attached bond utilizing the enclosed specimen copy of our Power of Attorney.

You will note that the Power of Attorney, in Paragraph "E", does not authorize a state required license and permit bond unless written authority, as described in Paragraph "F", is attached.

Since the bond was not authorized by the Power of Attorney, it is void as if it was never written. Therefore, we will respectfully decline to accept any liability. If you still have the bond, it should be returned to us.

Notification is also being given to Vern M. Smith and Painted Rocks Mining.

Very truly yours,

Jay W. Holtz

Jay W. Holtz
Underwriting Department

JWH:dr

cc: Richard J. Michael and Loren Okay dba Painted
Rocks Mining
Vern M. Smith

• SINCE 1900 •

Sioux Falls, South Dakota 57192

Phone 605/336-0850

RECEIVED

MAY 7

DIVISION OF OIL
GAS & MINING

BOND NUMBER _____
Corporate Surety Bond

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Painted Rocks Mining, Inc.
of 646 W. 300 N. Clearfield, UT (Address)
as principal and Western Surety Company, as surety, are held
and firmly bound unto the State of Utah in the sum of Five Thousand Dollars and no/100
Dollars (\$ 5,000.00) lawful money of the United States to be paid to the Board of State
Lands, as agent for the State of Utah, for the use and benefit of the State of Utah, and
of any patentee or purchaser of any portion of the land covered by the hereinafter
described lease heretofore sold or which may hereafter be sold with a reservation of the
minerals to the State of Utah, on the surface or of other mineral deposits of any portion
of such lands, for which payment, will and truly to be made, we bind ourselves, and each
of us, and each of our heirs, executors, administrators, successors, sublessees, and
assignees, jointly and severally by these presents.

Signed with our hands and seals this 30 day of April
in the year of our Lord, 1984.

The condition of the foregoing obligation is such that,

WHEREAS, the State of Utah, as lessor, issued a permit
lease, Lease Number _____, and dated April 30, 1984 to
Continuous as lessee (and said lease has been duly
assigned under date of April 30, 1984 to Continuous
) to drill for, mine, extract and remove all of the
mineral deposits in and under the
following described lands to-wit: Township 16 south range 1 West, Salt Lake City
base meridian. Sector 21 East, 1/2 of the Southeast quarter and Sec. 28 Southeast
quarter of the Northeast quarter and Sec. 30 lots 24 & 41 in Sec. 31, lots 23 in
Northwestern quarter of the Southeast quarter and Sec. 32, lots 2, 3, 4 and
Southeast quarter of the Southwest quarter.

NOW, THEREFORE, the principal shall be obligated to pay all monies, rentals, royal-
ties, costs of reclamation, damages to the surface and improvements thereon and any other
costs which arise by operation of the above-described lease(s) accruing to the lessor and
shall fully comply with all other terms and conditions of said lease, the rules, regula-
tions, and policies relating thereto of the Board of State Lands, Division of State
Lands, the Board of Oil, Gas, and Mining and the Division of Oil, Gas, and Mining as they
now exist or may from time to time be modified or amended. This obligation is in effect
even if the principal has conveyed part of its leasehold interest to a sublessee or sub-
lessees. If the principal fully satisfies the above-described obligations, then the
surety's obligation to make payment to the State of Utah is void and of no effect, other-
wise, it shall remain in full force and effect until released by the Division of State
Lands.

Signed, sealed and delivered
in the presence of

Joyce M. Monson
Witness

Witness

Painted Rocks Mining, Inc. (SEAL)
Principal

BONDING COMPANY Richard J. Michael
BY Richard J. Michael
PRESIDENT

Attest: _____

Resident Agent: _____

Bonding Co. Address: _____

Corporate Seal of Bonding Company must be affixed.

Approved as to form and execution:

Chase M. [Signature]

RECEIVED

MAY 7 1984

POWER OF ATTORNEY

(Irrevocable)

BOND No. R-

Know All Men by These Presents:

That this Power of Attorney is not valid or in effect unless attached to the bond which it authorizes executed, but may be detached by the approving officer if desired. That Western Surety Company, a corporation, does hereby make, constitute and appoint the following

_____ authorized individuals:

AUTHORIZED INDIVIDUALS	AUTHORIZED INDIVIDUALS

in the City of _____, State of _____, with limited authority, its true and lawful Attorney(s) in fact with full power and authority hereby conferred, to sign, execute, acknowledge and deliver for and on its behalf as Surety, one of the following bonds.

An ORIGINAL bond required by Statute, Decree of Court or Ordinance for:	MAXIMUM PENALTY
(A) ADMINISTRATOR, EXECUTOR, PERSONAL REPRESENTATIVE, GUARDIAN, CONSERVATOR, CURATOR, TRUSTEE — (Testamentary Only), SALE OF REAL OR PERSONAL PROPERTY - (when this company has qualifying bond or when it is a separate bond for accounting of proceeds of sale only), REFEREE IN PARTITION, COMMISSIONER TO SELL REAL ESTATE, TRUSTEE OR RECEIVER — In Bankruptcy (Excluding Chapter 11)	\$1,000,000
(B) NOTARY PUBLIC, PUBLIC OFFICIAL AND DEPUTIES, RECEIVER — (In State Court Only)	\$ 50,000
(C) PLAINTIFF'S COURT BOND — Banks, Savings & Loan, and Trust Companies — All Others, except bonds prohibited by "NOTE" below	\$ 100,000 \$ 20,000
(D) COST ON APPEAL) EXCLUDING OPEN PENALTY, STAY, REMOVAL OF CAUSE) SUPERSEDEAS OR GUARANTEE OF A JUDGMENT	\$ 2,000
(E) LICENSE AND PERMIT Except bonds where the state is the obligee SPECIAL FUEL USERS	\$ 25,000 \$ 2,000
(F) ANY BOND OR INDEMNITY provided there is attached to this Power of Attorney, written authority in the form of an endorsement, letter or telegram, signed by the Chairman of the Board, President, Vice President, Assistant Vice President, Secretary, Treasurer or Assistant Secretary of Western Surety Company specifically authorizing its execution.	

NOTE: SUPERSEDEAS, OR OPEN PENALTY OR STAY BONDS ON APPEAL OR GUARANTEE OF JUDGMENT, OR BAIL BONDS OR CONSTRUCTION BID OR CONTRACT BONDS, OR BONDS FOR DEFENDANTS, OR UTILITY DEPOSIT BONDS ARE NOT AUTHORIZED BY THIS POWER OF ATTORNEY, except as provided in Section (F).

WESTERN SURETY COMPANY further certifies that the following is a true and exact copy of Section 7 of the By-Laws of the Western Surety Company, duly adopted and now in force, to-wit: "Section 7. All bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation shall be executed in the corporate name of the Company by the Chairman of the Board, President, Secretary, any Assistant Secretary, Treasurer, or any Vice President, or by such other officers as the Board of Directors may authorize. The Chairman of the Board, President, any Vice President, Secretary, any Assistant Secretary, or the Treasurer may appoint Attorneys in Fact or Agents who shall have authority to issue bonds, policies, or undertakings in the name of the Company. The corporate seal is not necessary for the validity of any bonds, policies, undertakings, Powers of Attorney or other obligations of the corporation - the signature of any such officer and the corporate seal may be printed by facsimile."

Dated this 23rd day of August, 1982.

ATTEST

C. Schmidt
Assistant Secretary

WESTERN SURETY COMPANY

By

Joe Kirby
President

STATE OF SOUTH DAKOTA
County of Minnehaha } ss

On this 23rd day of August, 1982, before me, a Notary Public, personally appeared JOE P. KIRBY, who being by me duly sworn, acknowledged that he signed the above Power of Attorney as President of the said WESTERN SURETY COMPANY and acknowledged said instrument to be the voluntary act and deed of said corporation.

My commission expires

June 12

, 19 88

Rhone
Notary Public, South Dakota

I, the undersigned officer of the Western Surety Company, a stock corporation of the State of South Dakota, do hereby certify that the attached Power of Attorney is in full force and effect and is irrevocable; and furthermore, that Section 7 of the By-Laws of the company as set forth in the Power of Attorney, is now in force.

In testimony whereof, I have hereunto set my hand and the seal of the Western Surety Company this _____ day of _____

WESTERN SURETY COMPANY

By

Joe Kirby
President

*IMPORTANT: This date must be filled in before it is attached to the bond and it must be the same date as the bond.